

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

May 25, 2004

In Reply Refer To:
NorthPoint Energy Solutions, Inc.
Docket No. ER04-678-000

Wright & Talisman, P.C.
Attn: Michael E. Small, Esq.
1200 G Street, N.W., Suite 600
Washington, DC 20005

Dear Mr. Small:

1. On March 26, 2004, NorthPoint Energy Solutions, Inc. (Northpoint)¹ submitted for filing a Wholesale Cost-Based Rate Tariff (Tariff) providing for sales of capacity and energy pursuant to the cost-based caps of the Western Systems Power Pool, Inc. Agreement (WSPP Agreement) and the Mid-Continent Energy Marketers Association Capacity and Energy Tariff (MEMA Tariff).
2. NorthPoint states that it is a member of both WSPP and MEMA. Accordingly, NorthPoint states that it believes the instant filing may be unnecessary since the WSPP Agreement and MEMA Tariff provide the necessary authority to make sales under the cost-based caps. However, NorthPoint states that it filed the instant tariff in order to eliminate any uncertainty regarding its authority to make sales under the WSPP Agreement and MEMA Tariff.²
3. NorthPoint also requests that the Commission grant the same waivers and blanket approvals that customarily have been granted to power marketers, particularly waiver of accounting and other requirements of Parts 41, 101 and 141 of the Commission's

¹ NorthPoint is a marketing affiliate of Saskatchewan Power Corporation (SaskPower), a corporation of the Government of Saskatchewan. NorthPoint does not own or control any generation or transmission within the United States and currently makes no sales in the United States except at the United States/Canadian border. NorthPoint has no rate schedules on file with the Commission.

² NorthPoint indicates that it is considering developing a market-based rate tariff.

regulations and waiver of the requirements of Subparts B and C of Part 35 of the Commission's regulations, except sections 35.12(a), 35.13(b), 35.15 and 35.16. NorthPoint also requests permission to file an abbreviated statement regarding Part 45 of the Commission's regulations concerning interlocking directorates.

4. NorthPoint states granting the requested waivers would be appropriate because it does not own any generation facilities and has no other rates for jurisdictional service. In addition, NorthPoint states its sales in the United States are minimal. NorthPoint further states that satisfying these Commission requirements would be a burden to NorthPoint which is not justified by any compelling need for this information. Finally NorthPoint states that the Commission in the past has granted waiver of the reporting requirements for cost-based rates under these circumstances.³

5. Notice of NorthPoint's filing was published in the Federal Register, 69 Fed. Reg. 18,364 (2004), with interventions and protests due on or before April 16, 2004. None was filed.

6. The WSPP Agreement provides for power sales at cost-based rates between WSPP members. The MEMA Tariff also provides for wholesale power sales; although the MEMA Tariff allows sales at market-based rates, NorthPoint will only engage in those transactions that have cost-based caps under the MEMA Tariff.

7. We will reject NorthPoint's proposed Tariff as unnecessary in light of its intent to make sales under the WSPP Agreement and MEMA Tariff at rates up to their cost-based caps, and dismiss its request for waivers and blanket approvals as those waivers and blanket approval are granted only to entities with market-based rate authority.⁴ We agree

³ Citing Dominion Retail, Inc., 104 FERC ¶ 61,091 (2003).

⁴ See, e.g., PSEG Fossil LLC, et al., 97 FERC ¶ 61,211 (2001), reh'g denied, 98 FERC ¶ 61,169 (2002).

with NorthPoint that membership in WSPP and MEMA confers on NorthPoint the necessary authority to engage in cost-based transactions under the WSPP Agreement and MEMA Tariff.⁵

By direction of the Commission.

Magalie R. Salas,
Secretary.

⁵ See Southern California Water Company, 106 FERC ¶ 61,305 (2004). In this proceeding, the Commission found that membership in the WSPP confers on an entity the right to make sales at cost-based rates but not at market-based rates. However, we note NorthPoint is still required to file its Electric Quarterly Reports with the Commission.